

Message Text

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TAGS: BGEN, PO

SUBJ: MAJOR PROJECTS: PUBLIC HOSPITALS

REF: LISBON 2400 OF JUNE 28, 1973

COMMERCE FOR BIC/MEPD

1. GOP ANNOUNCED ON FEB. 5 THE PROVISIONAL AWARD OF TURN-KEY CONTRACTS FOR TWO NEW 1,200 BED PUBLIC HOSPITALS AT LISBON AND COIMBRA TO CONSORTIUM TEIXEIRA DUARTE, OPCA, HUARTE. THIS GROUP, PREDOMINANTLY PORTUGUESE WITH SOME MINOR SPANISH AND BRITISH PARTICIPATION, WON THIS PUBLIC TENDER WITH LOWEST PRICES AMONG SIX CONTENDERS. TEIXEIRA DUARTE GROUP BID \$30 MILLION AND \$34 MILLION FOR LISBON AND COIMBRA, RESPECTIVELY. IN CONTRAST, GRAO PARA GROUP WHICH HAD MAJOR U.S. PARTICIPATION BID \$45 MILLION AND \$52 MILLION FOR THE TWO HOSPITALS.
2. ALTHOUGH INITIAL AWARD IS TERMED PROVISIONAL, WE EXPECT GOP TO MAKE IT DEFINITIVE WITHIN FOUR TO SIX WEEKS. FROM DATE OF FINAL AWARD, TEIXEIRA DUARTE GROUP WILL HAVE 44 MONTHS TO COMPLETE THE COIMBRA HOSPITAL AND 35 MONTHS TO FINISH THE LISBON HOSPITAL
3. COMMENT: DUE TO THE WIDE RANGE OF PRICES AND VARIETY OF PROPOSALS PRESENTED BY THE SIX BIDDERS ON THIS PROJECT, THE GOP FOUND COMPARATIVE EVALUATION OF BIDS EXTREMELY DIFFICULT,
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IF NOT IMPOSSIBLE. THEREFORE, THE PUBLIC WORKS MINISTER

APPARENTLY EMPLOYED SINGLE CRITERION: PRICE. INFORMED SOURCES IN PUBLIC WORKS MINISTRY HAVE TOLD COMMERCIAL ATTACHE THAT THE ONLY TWO PROPOSALS WHICH WERE WELL PREPARED WERE THOSE SUBMITTED BY GRAO PARA (US) AND NOSPI (GERMAN AND BRITISH). HOWEVER, THESE TWO ALSO WERE THE MOST EXPENSIVE OF THE SIX. SINCE THERE SEEMS TO BE SERIOUS DOUBTS ABOUT THE QUALITY AND COMPREHENSIVENESS OF THE TEIXERIA DUARTE PROPOSALS, SEVERAL OF THE LOSING BIDDERS ARE EXPECTED TO PROTEST THE AWARD. PUBLIC WORKS MINISTRY HAD ORIGINALLY ESTIMATED THESE TWO HOSPITALS AT \$15 TO \$20 MILLION EACH. WITH BID PACKAGES FOR TWO HOSPITALS RANGING FROM LOW OF \$64 MILLION TO HIGH OF \$97 MILLION, GOP OPTED FOR LOWEST PRICE TO AVOID FURTHER CRITICISM.

4. COMMERCE ACTION REQUESTED: AT DISCRETION OF MEPD, YOU MAY WISH TO INFORM THE U.S. PARTNERS IN GRAO PARA GROUP OF GOP'S AWARD AND EXPRESS OUR REGRET THAT RESULTS WERE NOT MORE FAVORABLE. U.S. PARTICIPANTS IN GRAO PARA GROUP WERE CAMPBELL, ALDRICH & NULTY ARCHITECTS (BOSTON), SYSTEM & HENNESSY (NEW YORK), ELLERBE ARCHITECTS (ST. PAUL, MINN.), AND LE MESSURIER ASSOCS. (CAMBRIDGE, MASS.).
SCOTT

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